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DEPARTMENT FOR AF/SPG AND EEB/ESC/ESP  
DEPARTMENT PLEASE PASS TREASURY FOR OFAC

E.O. 12958: N/A  
TAGS: [ECON](#) [ETRD](#) [PREL](#) [SU](#)  
SUBJECT: SUDAN SANCTIONS: TELECOMS COMPANY AGAIN PRESSES  
FOR DELISTING

REF: KHARTOUM 1333

- ¶1. This is an action request ) see para. 8.
- ¶2. Summary: Executives of Sudanese telecoms company SUDATEL have repeated their request for information as to what action the company might take to be delisted as a Specially Designated National (SDN). They also provided additional insights on how U.S. economic sanctions are affecting operations. Other aspects of the meeting will be reported septel. End summary.
- ¶3. During a September 26 meeting, top executives of Sudan Telecommunications Company, Ltd. (SUDATEL) restated their desire that the company be delisted from U.S. economic sanctions imposed on May 29. SUDATEL CEO Emad Osman recalled Chief Commercial Officer Ihab Osman's earlier meeting at the Embassy (reftel), at which Osman had pressed for delisting and had requested guidance on what actions the company might take to escape SDN status.
- ¶4. SUDATEL executives appear honestly bewildered at why their company has been included on the SDN list. They emphasized that theirs is the only firm providing telecom services to Darfur, including for humanitarian relief agencies. They also said that the GoS has no commercial or operational control over the company.
- ¶5. According to Ahmed, although the GoS is the largest single owner of SUDATEL stock, it has gradually but steadily reduced its holdings from 60 percent since privatization of the telecoms sector began in 1991 and currently controls 23 percent. Ahmed stated that the GoS plans to continue to gradually sell off stock over time. The GoS seeks to maximize its return and decides when and how many shares to sell based on market conditions. GoS sales also are constrained by its desire not to depress stock prices by selling too many shares at one time. They insisted that there is no GoS level of control over SUDATEL. Two out of 12 corporate directors represent the GoS.
- ¶6. SUDATEL executives reiterated that they will take whatever action is required by the USG to be removed from the SDN list. Econoffs offered to forward to Washington any specific queries from SUDATEL.
- ¶7. Asked about how U.S. sanctions have affected SUDATEL operations, they replied that SDN status impedes all of the company's financial transactions. In addition, sanctions impede SUDATEL's purchase of new equipment. Since the imposition of the U.S. trade embargo on Sudan in 1997, the company has had to restrict itself to acquiring equipment with no more than 10 percent U.S. content. However, with the listing of SUDATEL as an SDN, even non-U.S. suppliers have become wary of dealing with the company.

18. Action requested: Post seeks Washington guidance on how to respond to SUDATEL,s inquiry.  
FERNANDEZ